Early Journal Content on JSTOR, Free to Anyone in the World

This article is one of nearly 500,000 scholarly works digitized and made freely available to everyone in the world by JSTOR.

Known as the Early Journal Content, this set of works include research articles, news, letters, and other writings published in more than 200 of the oldest leading academic journals. The works date from the mid-seventeenth to the early twentieth centuries.

We encourage people to read and share the Early Journal Content openly and to tell others that this resource exists. People may post this content online or redistribute in any way for non-commercial purposes.

Read more about Early Journal Content at http://about.jstor.org/participate-jstor/individuals/early-journal-content.

JSTOR is a digital library of academic journals, books, and primary source objects. JSTOR helps people discover, use, and build upon a wide range of content through a powerful research and teaching platform, and preserves this content for future generations. JSTOR is part of ITHAKA, a not-for-profit organization that also includes Ithaka S+R and Portico. For more information about JSTOR, please contact support@jstor.org.

interchangeably, and does not extend to ratifications, which are merely steps in the enactment of law. The court said that the action of a state legislature in ratification or rejection is properly likened to a response to a roll-call.

STATUTES—CONSTRUCTION—STATE LAW.—The defendant, a national bank, was allowed by federal statute to "take, receive, reserve and charge on any loan or discount—interest at the rate allowed by the laws of the state or territory where the bank is located, and no more." The Georgia statutes allowed a rate of eight per cent per annum. The defendant deducted in advance from the loan a sum equivalent to eight per cent per annum upon the whole sum, thus receiving a return of slightly more than eight per cent on the amount actually loaned. On suit by the borrower to recover penalties prescribed for taking more than the permitted rate of interest, *held*, (three justices dissenting) the bank had not exceeded the permitted rate. *Evans* v. *National Bank of Savannah*, (U. S. Sup. Ct., 1919) 40 Sup. Ct. 58.

Hard cases sometimes make irrational law. This decision comes within that category. Prior to 1915 it had been established by decision of the Georgia courts that the statute allowed a deduction of eight per cent in advance. In 1915 the Georgia supreme court reversed these decisions and declared that the resulting slight excess of eight per cent on the amount actually loaned was not permitted by the statute. Thus by the statutes of Georgia, as interpreted by the supreme court of the state, a discount of eight per cent was not permitted. Yet the defendant bank had deducted a discount of eight per cent. The loan and discount had been made so closely following the decision which changed the old rule, that the bank officials may have been ignorant of the change. Nevertheless, ignorance of the law is not a defense. *Jellico Coal Co.* v. *Com.*, 16 Ky. L. R. 463; *Staley* v. *State*, 89 Neb. 701, 34 L. R. A. (N. S.) 613. And a state court's interpretation of a state statute is binding on the federal courts. *Warburton* v. *White*, 176 U. S. 484; *Yocum* v. *Kennedy*, 130 Fed. 722; *Love* v. *Busch*, 142 Fed. 429. The dissenting opinion of three judges in the principal case held accordingly, and cited *Citizens National Bank* v. *Donnell*, 195 U. S. 369, as an exact precedent. The majority, in holding the bank not guilty, ignore both this precedent and the logic suggested.

TAXATION—CHARITABLE ORGANIZATIONS NOT LOSING RIGHT TO EXEMPTIONS—NATURE OF WORK DONE BY CHARITABLE ORGANIZATION DETERMINES RIGHT TO EXEMPTIONS.—Appellant, a Massachusetts corporation, maintains a store in Chicago where it sells religious and moral books and Sunday School supplies. To some Sunday Schools it furnishes the supplies gratis, but others it charges from 25 to 100 per cent of the list price in accordance with their ability to pay. The business is so managed that over a period of years there will be no profits. *Held*, "An institution does not lose its charitable character, and consequent exemption from taxation by reason of the fact that those recipients of its benefits who are able to pay are required to do so, where no profit is made by the institution and the amounts so received are applied in furthering its charitable purposes * * * It is not the use to be

made of profits but the nature of the business done that is to be considered in deciding the question of liability to taxation." *Congregational Sunday School & Pub. Soc.* v. *Board of Review,* (Ill., 1919), 125 N. E. 7.

The opinion in this case contains a very lucid discussion of this question, as to which there is little division of authority. There is some variation, however, in cases where part of a building, owned by a religious or charitable organization and used principally in the furtherance of its purposes, is rented for commercial purposes. Though the rents so received be devoted to charitable or religious uses, the cases cited in the principal case hold that the building loses its exemption. But in *Detroit Young Men's Soc.* v. *Mayor, etc., of Detroit,* 3 Mich. 172, it is held that the whole building is exempt under the statute. And in *Y. M. C. A. of Omaha* v. *Douglas County,* 60 Neb. 642, the parts used for charitable purposes were exempt, while the parts rented for business purposes were held subject to tax. Another curious diversity exists between a church parsonage, which is taxed as not being used for religious purposes (*St. Peter's Church* v. *Scott County,* 12 Minn. 395), and dwelling houses erected by a college on its lands for residences of its president and instructors, which buildings are ordinarily held exempt from taxation (*Harvard College* v. *Cambridge Assessors,* 175 Mass. 145.) The difference in holdings may usually be traced to differences in wording of the exemption statutes, which are always strictly construed. The underlying basis of constitutional and statutory exemption of the property of religious and charitable organizations is that such institutions relieve the state of a duty it would otherwise have. In the case of religious institutions this is no longer so clear, as constitutions in this country have abolished state religion; but it is recognized that the work of religious organizations contributes largely to welfare of the public, very much like that of charitable organizations. Hence the two are often treated as the same. See also 14 MICH. L. REV. 646.

TAXATION—JURISDICTION—WHAT CONSTITUTES "DOING BUSINESS" UNDER INHERITANCE TAX LAW.—In the management of her estate, Mrs. Hetty Green made extensive investments and reinvestments in New York. She was a resident of Vermont and maintained no office or duly authorized agent in New York. Tax Law, Sec. 220, subd. 2, imposed a tax on transfers of capital invested in business in the state by a non-resident "doing business" in the state. This was an attempt by the state comptroller to put such a tax on her estate. *Held,* the management of an estate is not the doing of business within the meaning of the statute. *In re Green's Estate* (1919) 178 N. Y. Supp. 353.

The problem encountered in such cases seems to be identical with that involved in cases dealing with the jurisdiction of a state over a foreign corporation "doing business" within the state so as to subject the corporation to personal service of state process. The mere maintenance of an office, an agent and clerks for soliciting trade was not "doing business" within the state so as to subject the corporation to personal service of summons, in *Green* v. *C. B. & O. Ry. Co.,* 205 U. S. 530; but some cases look the other way, *St. Louis, Southwestern Ry Co.* v. *Alexander, 227* U. S. 218. See also